

OBJECTIVES OF THE PROGRAM

- To provide equalization of opportunity for all Ontario municipalities in order to attract new industry.
- To provide for an expansion of industry and employment particularly in areas of slow growth in Ontario.
- To provide opportunities for gainful employment for our young people in the smaller centres of population.
- To provide a wider base of industrial assessment for Ontario's smaller municipalities.

COMPANIES ELIGIBLE FOR GRANTS

- 1 Secondary manufacturing companies establishing new facilities in the Provincial Equalization Areas or making approved additions to existing facilities. The grants will be available to companies building a new plant. If 75 per cent of the machinery installed is new, then the grant will also apply on the new machinery. If a company buys, leases, or rents a vacant building and installs 75 per cent new machinery, the grant will apply on the new machinery. In considering grants for expansion, an applicant company will be required to increase its floor space by 5,000 square feet or 10 per cent of its existing floor space, whichever is the greater. After allowing for the necessary services, all the additional floor space will have to be used by the company itself for secondary manufacturing purposes. If 75 per cent of the machinery installed in the addition is new, this machinery will rank for grant purposes.
- 2 Warehouses and other concerns of a closely related nature which have a direct relationship with secondary manufacturing and which can contribute substantially to the local economy in those locations where there is little or no secondary manufacturing. While it is not the intention to make these grants available for purely service industries such as laundromats, barber shops, etc., the establishment of a warehouse that will provide jobs for a number of people in a small municipality might do much to enhance local development and thus will be given consideration.
- 3 Tourist developments that will effectively raise the occupancy levels in local tourist establishments. The grants will apply to tourist attractions benefiting a substantial number of tourist resort operators in an area by increasing occupancy rates.

COMPANIES NOT ELIGIBLE FOR GRANTS

- 1 Those engaged in the primary industries such as mining, logging, fishing, and agriculture.
Although the grants will not be provided, for example, for cutting trees or extracting minerals from the ground, they will be available for the processing of raw materials. Thus, while a company cutting logs in the bush will not qualify for a grant on the cutting operations, it will be considered if it processes these logs into paper products.
- 2 Those engaged in the service industries except as noted previously.
Warehousing operations and tourist attractions will be considered. Other segments of the service industries such as retail stores, personal services, will not.
- 3 Those wishing to transfer operations into the incentive areas from elsewhere in the province when such a move will merely result in a change of location for an existing industry.
This will prevent companies moving their existing operations into the incentive areas merely to get a grant. If they expand their operations by adding an additional plant in these areas, or can prove that they cannot expand in their existing location, they will be considered.
- 4 Those not organized on a businesslike basis having regard to their financial structure, potential earnings, and management.
- 5 Those eligible for financial assistance under any other government program such as the Federal Incentive Program, the ARDA Program, etc.

HOW THE NEW GRANTS ARE CALCULATED

33½ per cent of the first \$250,000 of the approved capital cost of new buildings and equipment.

25 per cent of the balance of the approved cost of these facilities.

The maximum grant will be limited to \$500,000.

HOW THE NEW GRANTS ARE ADMINISTERED

The grants will initially be made available to qualifying companies in the form of interest-free loans for a period of six years.

At the end of the first year, one-tenth of the loan will be forgiven, a further one-tenth of the loan at the end of the second year, and so on until the end of the fifth year. At the end of the sixth year, provided the company has stayed in the locality in which the grant was given and has performed satisfactorily, the balance of the loan will be forgiven.

Security will be taken on the loan so that if at any time during the first six years the company either ceases operations, removes its operation from the area, sells its business to a company carrying on other than secondary manufacturing operations, or takes other action that will defeat the purpose of the program, the Ontario Development Corporation will reclaim all or part of the grant.

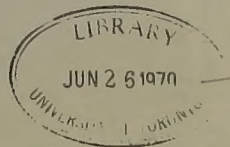
AREAS IN WHICH THE NEW PROGRAM IS OPERATIVE

For details of those municipalities in which the new grant program will be operative, application should be made directly to the Ontario Development Corporation.

ONTARIO DEVELOPMENT CORPORATION

950 YONGE STREET, TORONTO

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Area Code 416



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Minister:
Hon. Stanley J. Randall

Chairman:
Donald C. Early

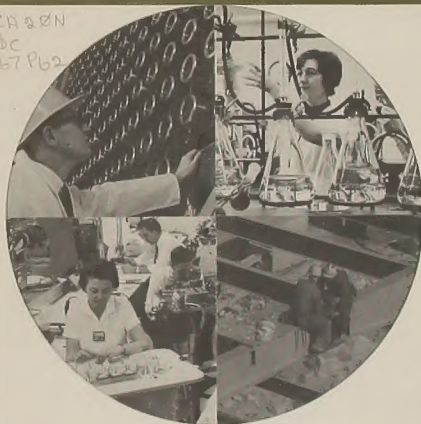
Vice Chairman and Managing Director:
Alan Etchen



PROGRAM FOR THE EQUALIZATION OF INDUSTRIAL OPPORTUNITY IN ONTARIO

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